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Real Estate Salesman, Loan Officer Jailed for Fraud and Forgery

(Phoenix, Ariz. – March 27, 2006) Attorney General Terry Goddard today announced two jail sentences in a case involving a real estate agent and a loan officer who fraudulently obtained home loans by using false and forged documents. The sentences were handed down by Maricopa County Superior Court Judge Brian Hauser.

Real estate agent Carmen Cantu, 61, of Phoenix, was sentenced to five years of supervised probation, with one year to be served in jail. He had previously pleaded guilty to fraud and forgery. Cantu was also ordered to perform 200 hours of community service, to pay fines and restitution totaling \$53,623 and to forfeit his real estate license.

Loan officer Francisco Martinez, 31, of Phoenix, was sentenced to four years of supervised probation, with 60 days in jail, and to pay restitution of \$9,999. Martinez pleaded guilty to forgery.

Many of Cantu's clients were undocumented immigrants. The false and forged documents were used to hide their true identity and credit history. In addition, Cantu stole money from some of these clients; in one case, he sold a client's home without her knowledge and caused her equity in the home to be distributed to Cantu's wife, who was also his real estate broker.

Other defendants in this case included Cantu's wife and broker, Betty Barbee, and escrow officer Victoria Cervantes. Barbee and Cervantes were ordered to pay restitution of \$27,823. Two months ago, Barbee was sentenced to two years probation and a \$1,000 fine. She was also ordered to forfeit her broker's license and notary public license. She had pleaded guilty to presentment of a false instrument. Cervantes was sentenced in January to four years probation with forfeiture of her notary public license. She had pleaded guilty to forgery.

Cantu and Barbee were doing business as Profile Realty, Inc. Martinez worked at Security Mortgage Corporation, and Cervantes was employed by First Financial Title Agency of Arizona. All are Phoenix businesses.

This case was a joint investigation of the Arizona Attorney General's Office and the Arizona Department of Real Estate. The facts in the criminal case were also the subject of administrative proceedings by the Arizona Department of Financial Institutions that resulted in a Consent Order. Under the Order, Security Mortgage Corporation agreed to correct violations of the Arizona statutes governing mortgage bankers and to pay a civil penalty of \$75,000. Administrative proceedings against First Financial are pending.

Assistant Attorney General Ted Noyes prosecuted the case.

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